

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE TERRORIST ATTACKS ON  
SEPTEMBER 11, 2001  
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Civil Action No.  
03 MDL 1570 (GBD)

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FIONA HAVLISH, in her own right :  
and as Executrix of the ESTATE OF :  
DONALD G. HAVLISH, JR., Deceased, et al., :  
:

Plaintiffs, :  
:

v. :  
:

USAMA BIN LADEN, :  
:

AL QAEDA/ISLAMIC ARMY, :  
an unincorporated association, *et al* :

FOREIGN STATE DEFENDANTS, :  
:

THE ISLAMIC REPUBLIC OF IRAN, :  
ALI AKBAR HASHEMI RAFSANJANI :  
Previously Identified and Served as :  
Unidentified Terrorist 1, :  
:

IRANIAN MINISTRY OF :  
INFORMATION AND SECURITY, :  
:

THE ISLAMIC REVOLUTIONARY :  
GUARD CORPS, :  
:

HEZBOLLAH, :  
an unincorporated association, :  
:

THE IRANIAN MINISTRY OF PETROLEUM, :  
:

THE NATIONAL IRANIAN :  
TANKER CORPORATION :  
Previously identified as Unidentified Terrorist 2, :  
:

THE NATIONAL IRANIAN OIL CORPORATION, :  
:

: CIVIL ACTION NO. 03-CV-9848 -RCC  
: Case Transferred from the United  
: States District Court for the  
: District of Columbia  
: Case Number 1:02CV00305  
:

: **AFFIDAVIT OF**  
: **PATRICK L. CLAWSON, PhD**  
:

THE NATIONAL IRANIAN GAS COMPANY :  
Previously Identified as Unidentified Terrorist 4, :  
 :  
IRAN AIRLINES :  
Previously Identified as Unidentified Terrorist 5, :  
 :  
THE NATIONAL IRANIAN :  
PETROCHEMICAL COMPANY :  
Previously Identified as Unidentified Terrorist 6, :  
 :  
IRANIAN MINISTRY OF :  
ECONOMIC AFFAIRS AND FINANCE :  
IRANIAN MINISTRY OF COMMERCE, :  
 :  
IRANIAN MINISTRY OF DEFENSE :  
AND ARMED FORCES LOGISTICS, :  
 :  
THE CENTRAL BANK OF THE :  
ISLAMIC REPUBLIC OF IRAN, *et al.* :  
Previously Identified as Unidentified Terrorist 7, :  
 :  
Defendants. :

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**Affidavit of Patrick L. Clawson, PhD**

I, **Patrick L. Clawson, PhD**, being duly sworn, do hereby swear and affirm under penalty of perjury that the contents of this Affidavit are true and correct to the best of my knowledge, information, and belief.

***I. Qualifications of the Witness***

1. I am an adult citizen of the District of Columbia.
2. I have extensively studied and researched and am an expert on the Islamic Republic of Iran ("Iran"), its sponsorship of terrorism, its economy and its politics. This affidavit is submitted to provide the Court with facts and evidence concerning Iran's sponsorship of the

Islamic terrorist groups (including Hizbollah, HAMAS and al-Qaeda), and to describe Iran's extensive provision of money, military training and other material resources to terrorists.

3. I am Deputy Director for Research of the Washington Institute for Near East Policy, where I have been employed since 1997. My previous positions include five years as senior research professor at the Institute for National Strategic Studies of the National Defense University and senior economist for four years each at the Foreign Policy Research Institute, the World Bank, and the International Monetary Fund. Most of my professional life has been spent studying the Middle East, and particularly Iran. My first scholarly article on the Middle East was published thirty years ago, and the first work I did on the region for the Central Intelligence Agency was twenty years ago.

4. The Washington Institute also studies domestic and internal issues relating to the Iranian Government. My work includes extensive research regarding the Iranian Islamic Revolutionary Guard Corps (the "IRGC").

5. I have done contract consulting work about Iran for U.S. government agencies over the last twenty-five years, including the Central Intelligence Agency, the Defense Department, the State Department Bureau of Intelligence and Research, and, through various contractors, the National Security Agency and the Defense Intelligence Agency. While at the National Defense University, I worked closely with officials from a wide range of U.S. government agencies on the issue of Iran and Iranian support for terrorism, including close work with the Central Command (the U.S. military command responsible for the Middle East) and its subordinate commands, and with the staff of the Joint Chiefs of Staff.

6. For the past four years I have been the Deputy Director for Research at the Washington Institute for Near East Policy, a think tank focusing on contemporary issues of the Middle East. In this capacity, I, inter alia, supervise a staff of about twenty senior researchers who study Middle East politics and terrorism, with considerable focus on Iran. I also brief and receive briefings from senior United States military officials and senior officials of other governments friendly to the United States, about the threats from Iran, Iranian support of terrorism and Iranian strategy regarding terrorism. I was the co-convenor of The Washington Institute's 2009 Task Force on Iranian Proliferation, Regional Security, and U.S. Policy which issued the report *Preventing a Cascade of Instability: U.S. Engagement to Check Iranian Nuclear Progress*.

7. I have previously been designated and qualified by federal courts as an expert witness on issues relating to Iran, Iran's support for terrorism, its economy and other issues, and have given live or written testimony in various cases brought against Iran for its sponsorship of terror, including *Cicippio v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 96-01805 (1996); *Flatow v. Islamic Republic of Iran*, 999 F. Supp. 1, 8-9 (D.D.C. 1998); *Cronin v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 99-02890 (1999); *Higgins v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 99-00377 (1999); *Stethen v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-00159 (2000); *Hegna v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-00716 (2000); *Anderson v. Islamic Republic of Iran*, 90 F. Supp. 2d 107, 112-113 (D.D.C. 2000); *Eisenfeld v. Islamic Republic of Iran*, 172 F. Supp. 2d 1, 5 (D.D.C. 2000); *Elahi v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 99-02802 (1999); *Wagner v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-01799 (2000); *Polhill v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 00-01798 (2000);

*Mousa v. Islamic Republic of Iran*, 238 F. Supp. 2d 1, 3-4 (D.D.C. 2001); *Rafii v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 01-850 (2001); *Kerr v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 01-01994 (2001); *Surette v. Islamic Republic of Iran*, U.S.D.C., D.C. No. 01-00570 (2001); *Weinstein v. Islamic Republic of Iran*, 184 F. Supp. 2d 13, 19 (D.D.C. 2002); *Ungar v. Islamic Republic of Iran*, 211 F. Supp. 2d 91, 93 (D.D.C. 2002); *Stern v. Islamic Republic of Iran*, 271 F. Supp. 2d 286, 288 (D.D.C. 2003); *Rieger v. Islamic Republic of Iran*, 281 F. Supp. 2d 87, 90 (D.D.C. 2003); *Campuzano v. Islamic Republic of Iran*, 281 F. Supp. 2d 258, 262 (D.D.C. 2003); *Greenbaum v. Islamic Republic of Iran*, No. 02-2148, 2006 WL 2374241 at \*3 (D.D.C. Aug. 10, 2006); and *Levin v. Islamic Republic of Iran*, U.S.D.C. No. 05-2494 (2007), among others.

8. I have testified often about Iran, Iranian terrorism, and the use of economic measures to discourage Iran from supporting terrorism before the House International Relations, National Security, and Banking and Financial Services Committees, as well as the Senate Foreign Relations and Banking Committees.

9. I have made presentations about foreign and economic policy of the Islamic Republic of Iran (hereinafter “Iran” or “Republic of Iran”), including its support for terrorism, and about U.S. policy towards Iran at conferences sponsored by, among other organizations, the **Iranian Foreign Ministry’s Institute for Political and International Studies** in Tehran, the **Royal Institute for International Affairs** in London, the **Royal United Services Institute** in London, the **Japanese Foreign Ministry** in Tokyo, the **Institute for Defense Studies and Analysis** in New Delhi, the **Shanghai Institute for International Studies** in Shanghai, the **Jaffee Center of Tel Aviv University** in Israel, the **Council for Foreign Relations** in New

York and Washington, the **Nixon Center** (part of the Nixon Presidential Library) in Washington, the **Carnegie Endowment for International Peace** in Washington, the **Asia Society** in New York, and a great many universities. I have given presentations concerning Iran at more than 200 symposiums in more than twenty countries.

10. My books and monographs include: *The Perfect Handshake with Iran: Prudent Military Strategy and Pragmatic Engagement Policy* (The Washington Institute, 2010); *Much Traction from Measured Steps: The Iranian Opposition, the Nuclear Issue, and the West* (The Washington Institute, 2010); *Engaging Iran: Lessons from the Past* (The Washington Institute for Near East Policy, 2009, edited); *The Last Resort: Consequences of Preventive Military Action Against Iran* (The Washington Institute, 2008, with Michael Eisenstadt); *Eternal Iran: Continuity and Chaos* (Palgrave Press, 2005, with Michael Rubin); *Getting Ready for a Nuclear-Ready Iran* (U.S. Army War College, 2005, with Henry Sokolski, edited); *Checking Iran's Nuclear Ambitions* (U.S. Army War College, 2004, with Henry Sokolski, edited); *Iran Under Khatami* (The Washington Institute for Near East Policy, 1998, with others); *Strategic Assessment*, (the flagship annual report of the Institute for National Strategic Studies of the National Defense University, which I inaugurated and edited for three years 1995-1997); *U.S. Sanctions on Iran* (Emirates Centre for Strategic Studies and Research, 1997); *Business As Usual? Western Policy Options Towards Iran* (American Jewish Committee, 1995); *Energy Security in the Twenty-ain First Century* (National Defense University Press, 1995, edited); *Iran's Strategic Intentions and Capabilities* (National Defense University Press, 1994, edited); and *Iran's Challenge to the West: How, When, and Why* (the Washington Institute for Near East Policy, 1993).

11. I have written about the contemporary Middle East, including about Iran, for *The New Republic* as well as op-ed articles in *The New York Times*, *Wall Street Journal*, and *Washington Post*, among other newspapers. I am the author of more than forty scholarly articles in *Foreign Affairs*, *Survival*, *Washington Quarterly*, *International Journal of Middle East Studies*, *Middle East Journal*, *Les Cahiers de l'Orient*, and *Oxford Bulletin of Economics and Statistics*, among other journals.

12. I am senior editor of *Middle East Quarterly*, a journal of Middle Eastern affairs, which publishes regularly on Iranian politics and Iran's foreign policy. From 1990 through 1994, I was editor of *Orbis*, a foreign policy journal.

13. My Ph.D. in economics is from the New School for Social Research and my B.A. is from Oberlin College.

14. I am able to read and/or speak Persian and French as well as some Hebrew, Spanish, and German. I read the Iranian press regularly through the internet. I also read other publications from Iran, including books in Persian.

15. My knowledge of Iran's sponsorship of terrorism comes as a result of my routine and in-depth access to facts concerning Iran, its support of terrorism, its economy and politics, and my extensive study of Iran as outlined herein, including my professional research and publishing in this field over the course of many years. Iran is a relatively open information country in which the competing political forces frequently reveal information about the country's security apparatus and debate issues relating to terrorism; Iran has many internet sites that publish information on these subjects. From my years studying Iranian politics and given the competing sources which can be compared, I believe that I am able to determine whether Iranian

reports on these subjects are credible. Indeed, I use this information as a source to brief the United States and other governments. Furthermore, Iran and some of the terrorist groups it sponsors have been openly boastful about their relations, and have described and detailed their connections in print.

16. My opinions set forth below are based upon my education, research, and experience, as well as my review and analysis of documents typically relied upon by experts in my field. Such basis includes, but is not limited to: official speeches made by Iranian officials, U.S. officials, and the officials of other countries; my conversations with U.S. officials, former Iranian officials, and officials of other countries; and my review and analysis of relevant documents, including newspaper accounts (in both the English-language press and Persian language press). Of particular note is information I received from a Washington Institute visiting scholar, Mohsen Sazegara, who was one of the founders of the IRGC and presidential candidate for Iran in 2001. After many years of leadership in the Iranian Regime, he broke with the Islamic Republic, and provided me with a great deal of information regarding the IRGC's functions and structure as well as the Iran economic and political structure.

## ***II. Iranian Religious and Political Structure***

17. In 1979, the Islamic Republic of Iran came to power both through a popular revolution and then through a series of referenda. This government replaced the previous regime, which was headed by Shah Mohammad Reza Pahlavi.

18. From the beginning, the Islamic Republic of Iran's political and religious institutions were overseen by a single person, who was called the "*Supreme Leader*."



19. This philosophy of government has prevailed since the early days following the revolution, and continues through the current day. In this philosophy, the Supreme Leader is acting as the earthly representative for the "*hidden imam*," who will return one day at the end of days.

20. In the hidden imam's absence, the Supreme Leader has the authority to make any decision - be it religious or political.

21. On the one hand, the Iranian Constitution provides that the Supreme Leader has the authority to dismiss the Iranian President, overrule the parliament and the courts, and overrule any secular law. On the other hand, the Supreme Leader is imbued by the religious community with the authority to overrule any religious law.

22. At the time of the 1979 revolution, Ayatollah Ruhollah Khomeini was the Supreme Leader.

23. Currently, the Supreme Leader is Ayatollah Ali Khamenei. He is the only person, other than the Ayatollah Khomeini, to hold the title of Supreme Leader.

24. The Supreme Leader is not popularly elected - he is chosen by an "*Assembly of Experts*" which is in theory popularly elected but in fact all candidates must be approved by the previous Supreme Leader. That makes the selection of the Supreme Leader rather like the election of a Pope by the College of Cardinals.

25. The Islamic Republic of Iran's political structure is bi-furcated into two aspects: a formal governmental structure and a revolutionary structure. The Supreme Leader oversees both aspects.

26. Iran's President is subordinate to the Supreme Leader, but otherwise leads Iran's formal governmental structure.

27. The Supreme Leader oversees the revolutionary structure, which includes entities parallel to the traditional governmental agencies.

28. For example, parallel to the regular military, there is a Revolutionary Guard Corps (the IRGC). Parallel to the regular courts, there are the revolutionary courts. In each case, the revolutionary institution is the more powerful of the pair.

### ***III. Iranian Islamic Revolutionary Guard Corps***

29. The IRGC was established in the immediate wake of the 1979 revolution.

30. From its creation through the present day, the IRGC has been directly controlled by the Supreme Leader. It has not reported, in any way, to the President. Other aspects of the formal governmental structure, such as the parliament, have little influence on it.

31. The IRGC was established by the Ayatollah Khomeinei because, after the 1979 revolution, he was suspicious about the ordinary military's devotion to revolutionary ideals.

32. Therefore, the IRGC's leadership and activities were purposefully created to be separate and apart from the formal governmental structure, and to act as a counterbalance against the formal governmental agencies

33. The IRGC operates parallel to the formal governmental structure. In fact, the IRGC has steadily increased its influence over the formal governmental structure in recent years.

34. Among its other tasks, the IRGC is dedicated to the spread of fundamentalist Islamic principles throughout the world, and the establishment of fundamentalist Islamic

governments in nations other than Iran. The Qods Force is the branch of the Revolutionary Guard generally charged with "*foreign*" operations.

35. The IRGC carries out this mission as an agent and instrumentality of the Supreme Leader. The IRGC serves as the striking arm of the revolution, and takes direction from the Supreme Leader. The Supreme Leader considers the IRGC to be the guardians of the principles of the 1979 revolution. Indeed, the IRGC self-identifies as a revolutionary organization.

36. The IRGC has historically provided funding and/or training for terrorism operations that targeted United States and Israeli citizens which has been well documented for over twenty years. Such activities have included support for **Hizbollah** and **HAMAS** as well as **al-Qaeda**, with the character of that support being quite different in each of these cases. **Hizbollah** is a Shiite terrorist organization established in 1982 by Iran as an extension of the Iranian Revolution in Lebanon and elsewhere in the Middle East. The IRGC's relationship with Hizbollah is extremely close. **HAMAS** is a Sunni terrorist organization established in 1987 by Palestinian Islamic militants opposing the establishment and existence of Israel. The IRGC's relationship with HAMAS has waxed and waned; since the 2007 coup in which HAMAS took complete control of the Gaza Strip, the relationship has become deeper, with Iran providing more money and arms. **Al-Qaeda** is a Sunni terrorist group established in 1988-89 by Usama bin Laden and al-Zawahiri to conduct international jihad, the establishment of the Islamic Caliphate worldwide. Iran and al-Qaeda have always had serious ideological differences even though they have a long history of cooperating in a common anti-American agenda. In providing support to these three organizations, the IRGC is acting as an official agency whose activities are tightly and carefully controlled by the Iranian government through the Supreme Leader and his

representatives. The terrorism training provided to **Hizbollah**, **HAMAS**, and **al-Qaeda** by the IRGC is part of an official policy of the Iranian government.

37. The IRGC runs a large number of commercial activities, including engineering businesses, smuggling operations, and commercial activities in the oil and gas sector. For example, one of the IRGC's firms has been awarded contracts worth billions of dollars by government agencies and the National Iranian Oil Company. By further way of example, the IRGC engages in widespread smuggling activities involving Iran and Iraq. These smuggling activities include, but are not limited to, drug smuggling and alcohol smuggling. Over and above its military assets (weapons, bases, and the like), the IRGC's commercial assets considerably exceed billions in value.

#### ***IV. The Ministry of Intelligence and Security (MOIS)***

38. In addition to the IRGC, the other principle organization Iran has used to carry out its terrorist support activities has been the MOIS, Iran's foreign and domestic intelligence service. With approximately 30,000 employees, MOIS is the largest intelligence agency in the Middle East. Credible reports in the last decade, including those from Iranian government investigators looking into domestic misdeeds by MOIS, have estimated its annual budget to be approximately between \$100 and \$400 million. In recent years, the MOIS' role appears to have been downgraded as the IRGC has taken over more and more functions. Indeed, since 2009, the IRGC's intelligence arm appears to be eclipsing the MOIS' role in some areas.

39. U.S. Department of State reports have frequently referred to Iranian intelligence services – that is, MOIS – role in facilitating and directing terrorist attacks. In *"Patterns of Global Terrorism 1990,"* the State Department wrote that *"Iran has used its intelligence services*

*extensively to facilitate and conduct terrorist attacks.... Intelligence officers in embassies have used the diplomatic pouch for conveyance of weapons and finances for terrorist groups."* United States Department of State, Office of the Coordinator for Counterterrorism, *Patterns of Global Terrorism 1990*, (Apr. 29, 1991). Moreover, a German court held in its detailed decision in the 1997 Berlin murder case, known as the *Mykonos* case, that MOIS support for terrorism is conducted with the approval of the highest levels of the Iranian regime. In his verdict, Judge Frithjof Kubsch specifically cited the Iranian president and Supreme Religious Leader (who, under the Iranian constitution, is the commander-in-chief and has the authority to override any decision of the president or legislature) as ordering the murders in question.

#### ***V. U.S. State Department Judgments about Iran's Support for Terrorism***

40. Iran is now, and since 1985 has been continuously, listed on the U.S. State Department's list of state sponsors of terrorism as set forth in an annual report entitled "*Patterns of Global Terrorism*" - a report into which much effort is put, with each word being carefully weighed, and which is highly respected by researchers on terrorism. *See* United States Department of State, Office of the Coordinator for Counterterrorism, *Patterns of Global Terrorism 2002* (Apr. 2003) (hereinafter, "2002 Patterns of Global Terrorism"), available at <http://www.state.gov/documents/organization/20177.pdf> (showing this designation for the relevant time period). U.S. law requires the Secretary of State to provide Congress, each year, a full and complete report on terrorism with regard to those countries and groups meeting criteria set forth in the legislation. *See* Title 22 of the United States Code, Section 2656 f(a) (requiring

the Department of State to provide Congress a full and complete annual report on terrorism for those countries and groups meeting the criteria of Sections (a)(1) and (2) of the Act).<sup>1</sup>

41. Recent reports of U.S. State Department, 1999 to 2008, are noteworthy stating in pertinent part:

*“In Iran in 1999 [and every year before since 1983], the actions of certain state institutions in support of terrorist groups made Iran the most active state sponsor of terrorism. These state institutions, notably the Revolutionary Guard Corps and the Ministry of Intelligence and Security, continued to be involved in the planning and execution of terrorist acts and continued to support a variety of groups [e.g., al-Qaeda] that use terrorism to pursue their goals.”*

\* \* \* \*

*“Iran has long provided Lebanese Hizbollah and the Palestinian rejectionist groups—notably HAMAS, the Palestine Islamic Jihad and Ahmad Jibril’s PFLP-GC—with varying amounts of funding, safe haven, training and weapons... Iran continued to encourage Hizbollah and the Palestinian groups to coordinate their planning and to escalate their activities against Israel. Iran also provided a lower level of support—including funding, training and logistics assistance—to extremist groups [e.g. al-Qaeda] in the Gulf, Africa, Turkey and Central Asia.”*

\* \* \* \*

*“Iran remained the most active state sponsor of terrorism in 2001. Iran’s Islamic Revolutionary Guard Corps (IRGC) and Ministry of Intelligence and Security (MOIS) continued to be involved in the planning and support of terrorist acts and supported a variety of groups that use terrorism to pursue their goals.”*

*“Supreme Leader Khomeini continued to refer to Israel as a ‘cancerous tumor’ that must be removed. Matching their rhetoric with action, Iran continued to provide Lebanese Hizbollah and the Palestinian rejectionist groups—notably HAMAS, the Palestine Islamic Jihad and the PFLP-GS—with varying amounts of funding, safe haven, training and weapons. It also encouraged Hizbollah and the rejectionist Palestinian groups to coordinate their planning and to escalate their activities... In addition, Iran provided limited support to terrorist groups in the Gulf, Africa, Turkey and Central Asia... There are, however, reports that Arab Afghans, including al-Qaeda members, used Iran as a transit route to enter and leave from Afghanistan.”*

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<sup>1</sup> This annual State Department report was entitled "Patterns of Global Terrorism" until 2004, at which time the publication’s name was changed to "Country Reports on Terrorism".

\* \* \* \*

*“Iran remained the most active state sponsor of terrorism in 2002. Its Islamic Revolutionary Guard Corps and Ministry of Intelligence and Security were involved in the planning of and support for terrorist acts and continued to exhort a variety of groups that use terrorism to pursue their goals.”*

*“Al-Qaeda members have found virtual safe haven there [Iran] and may even be receiving protection from elements of the Iranian Government... Iran provided Lebanese Hizbollah and Palestinian rejectionist groups—notably HAMAS, the Palestine Islamic Jihad and the Popular Front for the Liberation of Palestine-General Command—with funding, safe haven, training and weapons... Iran also provided support to extremist groups in Central Asia, Afghanistan and Iraq with ties to al-Qaeda.”*

\* \* \* \*

*“Iran remained the most active state sponsor of terrorism in 2003. Its Islamic Revolutionary Guard Corps and Ministry of Intelligence and Security were involved in the planning of and support for terrorist acts and continued to exhort a variety of groups that use terrorism to pursue their goals.”*

*“After the fall of the Taliban regime in Afghanistan, some al-Qaeda members fled to Iran where they have found virtual safe haven. Iranian officials have acknowledged that Tehran detained al-Qaeda operatives during 2003, including senior members... However, [the acknowledgement] was accompanied by a refusal to publicly identify senior members in Iranian custody on the grounds of “security.”*

\* \* \* \*

*“Iran remained the most active state sponsor of terrorism in 2004. Its Islamic Revolutionary Guard Corps and Ministry of Intelligence and Security were involved in the planning and support of terrorist acts and continued to exhort a variety of groups to use terrorism in pursuit of their goals.”*

*“Iran continued to be unwilling to bring to justice senior al-Qaeda members it detained in 2003. Iran has refused to identify publicly these senior members in its custody on ‘security grounds.’ Iran has also resisted numerous calls to transfer custody of its al-Qaeda detainees to their countries of origin or third countries for interrogation and/or trial... Iran also continued to fail to control the activities of some al-Qaeda members who fled to Iran following the fall of the Taliban regime in Afghanistan.”*

\* \* \* \*

*“Iran’s IRGC-Qods Force continued to provide weapons and financial aid to the Taliban to support anti-U.S. and anti-Coalition activity in Afghanistan...Iran*



*remained unwilling to bring to justice senior al-Qaeda members it has detained, and has refused to publicly identify those senior members in its custody... Iran also continued to fail to control the activities of some al-Qaeda members who fled to Iran following the fall of the Taliban regime in Afghanistan.”*

\* \* \* \*

*“Iran remained the most active state sponsor of terrorism [1995-2008]. Iran’s involvement in the planning and financial support of terrorist attacks throughout the Middle East, Europe and Central Asia had a direct impact on international efforts to promote peace, threatened economic stability in the Gulf and undermined the growth of democracy.”*

*“The Qods Force, an elite branch of the Islamic Revolutionary Guard Corps (IRGC), is the regime’s primary mechanism for cultivating and supporting terrorists abroad. The Qods Force provided aid in the form of weapons, training and funding to HAMAS and other Palestinian terrorist groups, Lebanese Hizbollah, Iraq-based militants [e.g. al-Qaeda] and Taliban fighters in Afghanistan.”*

*“Iran’s IRGC Qods Force provided assistance to the Taliban in Afghanistan. The Qods Force provided training to the Taliban on small unit tactics, small arms, explosives and indirect fire weapons.”*

*“Iranian authorities continued to provide lethal support, including weapons, training, funding and guidance to Iraqi militant groups that targeted Coalition and Iraqi forces and killed innocent Iraqi civilians. Iran’s Qods Force continued to provide Iraqi militants [e.g., al-Qaeda] with Iranian-produced advanced rockets, sniper rifles, automatic weapons and mortars that have killed Iraqi and Coalition Forces as well as civilians.”*

42. The 2009 Report concludes with the following: *“Iran also continued to fail to control the activities of some al-Qaeda members who fled to Iran following the fall of the Taliban regime in Afghanistan.”*

## **VI. U.S. Government Judgments about Iranian Material Support to Al-Qaeda**

43. In addition to the State Department Annual Report, the most authoritative U.S. government sources have issued repeated and detailed descriptions of Iranian material



**support to al-Qaeda before, during, and after the 9/11 attacks.** As seen in the 9/11 Commission Report and the U.S. Treasury Designations, the evidence is clear and convincing. These reports have not been contradicted by any significant figures in the U.S. government. There simply is no ambiguity or unclarity in U.S. government statements about this matter. However, to what extent al-Qaeda and Iran are closely allied and coordinate activities remains complex. See, *Affidavit of Dan Byman*, dated June 8, 2010. While on the whole, U.S. government statements have previously refrained from statements of Iranian supporting al-Qaeda acts of terror directly against the United States, the 9/11 Commission Report and the United States Treasury Department have recently provided **detailed statements of Iranian/Hizbollah/al-Qaeda cooperation.**

***VII. The 9/11 Commission on Iran's Material Support to Al-Qaeda Before and During 9/11***

44. The National Commission on Terrorist Attacks Upon the United States, or 9/11 Commission, was created in November 2002 by Congressional legislation, with the bill signed into law by President George W. Bush. Chaired by former New Jersey Governor Thomas Kean, the commission consisted of five Democrats and five Republicans, all distinguished public leaders. Its staff was among the most respected investigators and analysts of terrorism. The commission was mandated "*to prepare a full and complete account of the circumstances surrounding the September 11, 2001 attacks.*" The commission interviewed over 1,200 people in 10 countries and reviewed over two and a half million pages of documents, including some closely-guarded classified national security documents. The commission issued its final report on July 22, 2004 and then went out of existence.

45. Both the commission and its report were the subjects of considerable controversy which dominated national politics for months. In a charged political atmosphere, allegations flew about how well the U.S. government had focused on the terror threat before 9/11 and how it responded to the attack. The leaders of the 9/11 Commission voiced much criticism about lack of cooperation by various parts of the U.S. government with their investigation. In all of this controversy, extremely little criticism was directed at the Commission report's extensive discussion about al-Qaeda's past and its activities, as distinct from what the U.S. government should have known and should have done. Indeed, the 9/11 Commission report has become one of the most respected, if not the most respected, source about al-Qaeda's activities up to 9/11. The report is written in a carefully measured tone, drawing conclusions only when the overwhelming weight of reputable information points inexorably in one direction.

46. The 9/11 Commission report describes Iran's material support to al-Qaeda beginning within a few years of the organization's formation in 1988-89. To quote the report, *"In late 1991 or 1992, discussions in Sudan between al-Qaeda and Iranian operatives led to an informal agreement to cooperate in providing support – even if only training – for action carried out primarily against Israel and the United States. Not long afterward, senior al-Qaeda operatives and trainers traveled to Iran to receiving training in explosives."*

47. The report goes on to note that the indictment against Usama Bin Laden unsealed on November 4, 1998 by the U.S. Attorney's Office for the Southern District of New York *"charged that al-Qaeda had allied itself with Sudan, Iran, and Hizbollah."* I am not comfortable with the word *"allied"* in that indictment. My reading of the Iran-Sudan-al-Qaeda relationship was that it was more one of mutual cooperation.

### ***VIII. The Words of The 9/11 Commission***

48. The Commission report entitled an entire section of its Chapter 7, “*Assistance from Hizbollah and Iran to al-Qaeda*.” This section lays **out in detail** how Iran facilitated the travel to and from Afghanistan of al-Qaeda operatives including at least eight of those on the airplanes hijacked on 9/11. In pertinent part the section reads:

*“...senior managers in al-Qaeda maintained contacts with Iran and the Iranian-supported worldwide terrorist organization Hizbollah, which is based mainly in southern Lebanon and Beirut. Al-Qaeda members received advice and training from Hizbollah.*

*Intelligence indicates the persistence of contacts between Iranian security officials and senior al-Qaeda figures after Bin Laden’s return to Afghanistan. [1996]*

\* \* \* \*

*Khallad and other detainees have described the willingness of Iranian officials to facilitate the travel of al-Qaeda members through Iran, on their way to and from Afghanistan. For example, Iranian border inspectors would be told not to place telltale stamps in the passports of these travelers. Such arrangements were particularly beneficial to Saudi members of al-Qaeda.*

\* \* \* \*

*...we now have evidence suggesting that 8 to 10 of the Saudi “muscle” operatives traveled into or out of Iran between October 2000 and February 2002.*

*In October 2000, a senior operative of Hizbollah visited Saudi Arabia to coordinate activities there. He also planned to assist individuals in Saudi Arabia in traveling to Iran during November. A top Hizbollah commander and Saudi Hizbollah contacts were involved.*

*...we believe, three of the future muscle hijackers, ...obtained their U.S. visas in late October, traveled in a group from Saudi Arabia to Beirut and then onward to Iran. An associate of a senior Hizbollah operative was on the same flight that took the future hijackers to Iran. Hizbollah officials in Beirut and Iran were expecting the arrival of a group during the same time period. The travel of this group was important enough to merit the attention of senior figures in Hizbollah.*

\* \* \* \*

*KSM and Binalshibh have confirmed that several of the 9/11 hijackers (at least eight, according to Binalshibh) transited Iran on their way to or from Afghanistan, taking advantage of the Iranian practice of not stamping Saudi passports.*

49. The section continues, "*In sum, there is **strong evidence** that Iran facilitated the transit of al-Qaeda members into and out of Afghanistan before 9/11, and that some of those were the future 9/11 hijackers. There also is circumstantial evidence that senior Hizbollah operatives were closely tracking the travel of some of these future muscle hijackers into Iran in November 2000.*

50. Finally, the section on Iran and al-Qaeda concludes: "*After 9/11 Iran and Hizbollah wish to conceal any past evidence of cooperation with **Sunni terrorist** associated with al-Qaeda. A senior Hizbollah official disclaimed any Hizbollah involvement in 9/11. We believe this topic requires further investigation by the U.S. government.*"

## ***IX. Al-Zarqawi***

51. Perhaps the epitome of this complicated relationship between Iran and al-Qaeda is **Abu Musa'ab Al-Zarqawi**, who until killed by U.S. forces was the leader of *al-Qaeda in Iraq*. In that role, Al-Zarqawi issued many scathing criticisms of the government of Iran and frequently denied any relationship with that government. Yet that is simply not credible. There is broad agreement that until the U.S. invasion of Iraq in March 2003, Al-Zarqawi frequently traveled through Iran to the Iran-Iraq border region. For instance, the U.S. Treasury Department's fact sheet accompanying its September 24, 2003 designation of al-Zarqawi under Executive Order 13224 refers to al-Zarqawi's presence **in Iran**. Noted al-Qaeda expert Peter Bergen has said, "*Zarqawi spent more time in Iran than anywhere else after September 11*" and

before the U.S.-led invasion of Iraq. In short, al-Zarqawi's relationship with both "*al-Qaeda core*" and Iran seem to have been certain, if not complicated.

## **X. U.S. Treasury Designations**

52. Several U.S. Treasury Department designations under Executive Order 13224 of individuals providing financial, technological, or material support to terrorists and acts of terrorism have referred to **Iran's material support of al-Qaeda**. The June 5, 2008 designation of 'Abd al-Rahman Muhammad Jaffar 'Ali stated, "*'Ali facilitated the movement of money to a senior al-Qaeda facilitator in Iran.*" The same day's designation of **Adil Muhammad Mahmud Abd al-Khaliq** stated, "*Between 2004 and 2007, Abd al-Khaliq traveled to Iran five times on behalf of al-Qaeda and the LIFG [Libyan Islamic Fighting Group] for his facilitation duties. During each of these trips, he met with senior al-Qaeda facilitators. During this same timeframe, Abd al-Khaliq provided material support to al-Qaeda.*"

53. On January 16, 2009, the Treasury Department issued a press release entitled, "**Treasury Targets Al-Qaeda Operatives in Iran.**" That press release described the designation under Executive Order 13224 of **Mustafa Hamid**. The designation states, "*Mustafa Hamid is a senior al-Qaeda associate who served as a primary interlocutor between al-Qaeda and the Government of Iran.*" The designation describes a complex relationship between Iran and al-Qaeda: "*Beginning in late 2001, the family of a senior al-Qaeda military commander lived with Mustafa Hamid's family in Iran.... In mid-2003, Mustafa Hamid was arrested [sic] in Iran along with other al-Qaeda members and associates.*" Much the same is said in the designation, described in the same press release, of **Muhammad Rab'a al-Sa Yid al-Bahtiyti, who is the son-in-law of Ayman al-Zawahiri**, (who is the number two person in al-Qaeda). Another

person designated under Executive Order 13224 the same day was **Ali Saleh Husain**. The designation describes, *“In 2001 after the fall of the Taliban, Husain facilitated the move of al-Qaeda-associated fighters, including an al-Qaeda military commander from Afghanistan to Iran... In early 2002, Husain sent \$20,000 to a senior al-Qaeda lieutenant who had requested financial assistance. Husain was detained by the Government of Iran in early 2003.”*

54. Perhaps the most interesting person designated under Executive Order 13224 on January 16, 2009 was **Sa’ad bin Laden**, one of Usama bin Laden’s oldest sons. As noted, *supra*, the designation states, *“Sa’ad made key decisions for al-Qaeda and was part of a small group of al-Qaeda members that was involved in managing the terrorist organization from Iran. He was arrested [sic] by Iranian authorities in early 2003. As of September 2008, it was possible that Sa’ad bin Laden was no longer in Iranian custody.”* Note that the U.S. Treasury Department is saying: (1) Sa’ad managed al-Qaeda from Iran; and (2) *“it is possible”* Sa’ad was released from Iranian custody.

55. Numerous reliable news outlets have reported that U.S. government officials who refuse to be cited by name have gone further on each of the issues raised above. However, the official statements quoted above are in themselves powerful indications that since 9/11 Iran has provided material support to al-Qaeda.

#### ***XI. Reputable Non-Government Sources Agree about Iranian Material Support to al-Qaeda***

56. The most reputable journalists and terrorism experts have issued **many detailed descriptions of Iranian material support to al-Qaeda before, during, and after the 9/11 attacks.** These descriptions draw upon numerous sources, including many unnamed the U.S.

intelligence experts. The widely circulated news articles on this matter have never drawn disavowals from the U.S. government. **Few if any noted terrorism experts would dispute that Iran provides material support to al-Qaeda within the meaning of 18 U.S.C. Section 2339A(b)1.**

57. There is much analysis among terrorism experts, reflected in many articles by reputable journalists in the most respected news outlets, about the exact nature of the relationship between Iran and “*al-Qaeda core*.” Some see a close cooperation between al-Qaeda core and those under the direct control of the highest levels of the Iranian government. Others see a more opportunistic relationship, with some of those on the Iranian side being revolutionary units marginally controlled – though fully funded – by the central government. For many purposes, that debate is important. However, that debate is not relevant to the issue of whether Iran provides material support to al-Qaeda within the meaning of 18 U.S.C. Section 2339A(b)1 before, during and after September 11, 2001.

## ***XII. Reputable Non-Government Sources on Iran’s Material Support to al-Qaeda Before and During 9/11***

58. There is a broad consensus among experts and journalists, based on a wealth of information, that Iran provided al-Qaeda material support, at least **in the form of training**, since the early 1990s. At that time, Usama bin Laden lived in Sudan, and Iran had a close military relationship with the Sudanese government. In his October 20, 2000 guilty plea before the Honorable Leonard Sand in the U.S. District Court for the Southern District of New York in *United States of America v. Ali Mohamed*, Ali Mohamed described the material support provided to al-Qaeda and Egyptian Islamic Jihad, a group later folded into al-Qaeda, by Iran and

Hizbollah. As noted, *supra*, Hizbollah is a terrorist organization in Lebanon which was created at Iran's orders and which has been heavily influenced, amply funded, and extensively armed by Iran. Indeed, Hizbollah's terrorist and military activities are directly under Iran's orders. Ali Mohamed stated that he arranged a meeting in Sudan between **Usama bin Laden and Imad Mughaniyah**, whom he described as "*Hizbollah's chief*" though most analysts would describe Mughaniyah as Hizbollah's chief terrorist. Ali Mohamed stated, "*Hizbollah provided explosives training for al-Qaeda and [Egyptian] al Jihad.*"

59. After the Sudanese government expelled bin Laden, he returned to Afghanistan, where he lived in areas controlled by the Taliban on whose side he fought against the Northern Alliance which was heavily backed by Iran. Iran and bin Laden were key players on opposite sides of a bitter civil war. At the same time, there is a broad consensus among terrorism experts and journalists that Iran and al-Qaeda continued to collaborate in pursuit of their common anti-American agenda. The most respected books on Afghanistan and on al-Qaeda in the decade before the 9/11 attacks agree with the accounts in the *New York Times* and *Washington Post* among other news outlets **that senior al-Qaeda and Iranian officials met repeatedly during this time.** (The Iranian officials involved were not necessarily under the control of the Iranian President, who has a limited constitutional and legal role in matters of intelligence and national security which fall more under the Supreme Leader. This in no way limits the responsibility of the Iranian government for the actions of such officials. There is broad agreement that the relationship between Iran and al-Qaeda in the decade before 9/11 was limited, but that Iran permitted at least some al-Qaeda members and leaders to cross Iranian territory. Many reports



attest to such travel continuing into 2001. The ability to travel via Iran was an important material support to al-Qaeda. *See, Affidavit of Janice Kephart* dated June 7, 2010.)

### ***XIII. Reputable Non-Government Sources on Iran's Material Support to al-Qaeda After 9/11***

60. There is a broad consensus among experts and journalists that Iran provided material support to numerous al-Qaeda leaders fleeing Afghanistan in late 2001 after the collapse of the Taliban forces. Many accounts of this have been published in the leading news sources and the most respected books about the period, drawing upon detailed information provided by unnamed U.S. government officials and Afghans in a position to know. I have personally heard detailed descriptions from a U.S. government official about her 2001-2002 negotiations with Iranian government officials about this matter, in which the **Iranians acknowledged they had let such people into Iran**. Many reports over the years in leading news sources, such as the *Washington Post* and *New York Times*, that **Saif al-Adel**, al-Qaeda's chief of military operations, and **Abdullah Ahmed Abdullah**, al-Qaeda's chief financial officer, also were in Iran for years after 2001, and may remain.

### ***XIV. Riyadh Bombing***

61. Many noted terrorism experts have commented that the circumstances under which al-Qaeda has lived in Iran are murky. The al-Qaeda members in Iran do not seem to have been that closely monitored or controlled from the time of their arrival until May 2003. Those circumstances may have changed after strong Saudi and American protests following the **May 12, 2003 bombings in Riyadh, Saudi Arabia in which 34 people including 8 American were killed**. There is broad consensus that the al-Qaeda leaders in Iran were well aware of those

**attacks. The general, clear and convincing view is that the al-Qaeda leaders in Iran planned and ordered the bombing, and they may well have provided the funds for it.** That is certainly the view of Saudi government officials, such as Saudi Ambassador to the United States Prince Bandar bin Sultan. There is a broad consensus among experts and journalists that it was also the view of the Bush administration, though the Bush administration refused to be that blunt in public.

62. After that 2003 Riyadh bombing, it would appear that the al-Qaeda leaders in Iran lived in conditions which were somewhat like loose house arrest. As noted in this Affidavit, *supra*, those were the circumstances under which members of Usama bin Laden's family were held in Iran, according to the recent account provided to news outlets by his son, **Omar bin Laden**, based on his conversations with his sister, **Iman bin Laden**, after her December 2009 evasion of her Iranian handlers; she sought refuge in the Saudi embassy in Tehran, and the Iranian authorities eventually permitted her to leave for Syria. Iman bin Laden also confirmed to Omar bin Laden the accuracy of many reports over the years which placed Sa'ad bin Laden, one of Usama bin Laden's oldest sons, in Iran. Sa'ad has often been described by leading news media and terrorism experts as an important official in al-Qaeda. Indeed, some argue he is one of the most senior al-Qaeda officials.

63. Since late 2008, there have been a spate of news reports in leading media such as the *New York Times* and *Washington Post* about the departure from Iran of some of the al-Qaeda leaders. Several accounts refer to the departure from Iran of **Saif al-Adel**, who is on the FBI's most wanted list for his role in the 1998 bombings of U.S. embassies in Kenya and Tanzania, as well as other al-Qaeda moneymen and planners. These news reports and accounts seem credible.

But these reports are not backed up by the same wealth of information available about the post-2001 presence in Iran of al-Qaeda leaders. Consider the caution of the U.S. Treasury designation of Sa'ad bin Laden, which stated, "*As of September 2008, it was possible that Sa'ad bin Laden was no longer in Iranian custody.*" News reports cited U.S. officials speaking anonymously about the designation as stating that Sa'ad was thought to be in Pakistan, but the U.S.

Government did not advise so officially. Or another example: Omar bin Laden insisted in early 2010 that Sa'ad had been in Iran in mid-2009, when other reports had Sa'ad in Pakistan, though Omar said he did not know Sa'ad's whereabouts as of the date he was speaking. If in fact Iran permitted such prominent terrorists travel freely in departing from Iran that would constitute an important material support to al-Qaeda.

64. There are other indications that Iran may have provided material support to al-Qaeda in other contexts than those referred to here. There are many reports of Iranian-al-Qaeda collaboration in fields as diverse as West African diamond smuggling, support to Muslim fighters in the former Yugoslavia, and attacks on U.S. forces in the Arabian Peninsula. Many of these reports are of al-Qaeda cooperation with Hizbollah.

65. At time Iranian officials make intriguing statements which could be read as showing a close Iran-al-Qaeda relation, such as Iranian President Mahmoud Ahmadinejad's May 5, 2010 interview with George Stephanopoulos of ABC's *Good Morning America* in which Ahmadinejad six times refused to answer Stephanopoulos' repeated and increasingly blunt questions whether Usama Bin Laden is now in Tehran. But I do not regard such statements as

definitive, for instance, Ahmadinejad may have just been employing his usual tactic of turning questions back on the questioner.<sup>2</sup>

## ***XV. Iranian Economic Contribution to Terrorism***

66. Based on my continued research and investigation, it is my opinion that, **in recent years, the Islamic Republic of Iran has increased its support of terrorism and terrorism related activities.** Iran's support now provides significant support to several terrorist groups, including:

- a. *Hizbollah.* The most recent Country Reports on Terrorism from the U.S. Department of State (the April 30, 2009 report covering developments in 2008) states, "In 2008, Iran provided more than \$200 million in funding to Lebanese Hizbollah." <http://www.state.gov/s/ct/rls/crt/2008/122436.htm>. In my opinion, that report appears to be referring only to the extensive cash assistance, but does not include the value of other material or military-type support, provided by Iran in support of terrorism, which Iran has increased since the 2006 Israeli-Hizbollah confrontation, in part to rebuild damage done in that conflict. In addition, recent Hizbolla claims and Israeli reports describe Iran providing Hizbollah since 2006 with sophisticated, expensive weapons, including, but not limited to, 40,000 rockets. Such weapons would cost many tens of millions of dollars, in excess of the cash assistance described above.
- b. *HAMAS.* HAMAS co-founder Mahmoud Zahar—who continues to be one of the most senior officials in the organization—stated in 2007, "I personally once brought \$20 million from Iran to the Gaza Strip in a suitcase. No, actually twice—the second time it was \$22 million." (Interview in *Der Spiegel*, June 22, 2007, <http://www.spiegel.de/international/world/0.1518,490160.00.html>). There are also credible reports that Iran is providing HAMAS with sophisticated weapons systems, such as rockets, which are costly. In addition, Khalad Mashal of HAMAS boasts of the support it receives from Iran. Accordingly, it remains clear that Iran continues to provide considerable financial support to HAMAS.

<sup>2</sup> I have carefully studied the affidavit of Clare M. Lopez and Bruce Tefft submitted to the Honorable George Daniels, Judge, Southern District of New York in the case of *In Re: Terrorist Attacks on September 11, 2001, Fiona Havlish, et al. v. Al Qaeda/Islamic Army, et al.* Lopez and Tefft do an admirable job assembling many accounts of Iranian connections to al-Qaeda which provides clear and convincing evidence of material support. However, I do not agree with all of their conclusions. For instance, they describe Iran's relation with al-Qaeda as being deeper, stronger, and more strategic than I would. My view is, to use the phrase common among U.S. forces in Iraq, that Iran bets on all the horses in the race. I read the evidence to show that Iran provides material support to al-Qaeda, despite differences, because Iran sees al-Qaeda as useful in its greater goal of confronting the United States.

- c. *Al-Qaeda.* On March 16, 2010, General David Petraeus told the Senate Armed Forces Committee, “al-Qaeda continues to use Iran as a key facilitation hub, where facilitators connect al-Qaeda’s senior leadership to regional affiliates. And although Iranian authorities do periodically disrupt this network by detaining select al-Qaeda facilities and operational planners. Tehran’s policy in this regard is often unpredictable.” Recently, one of Usama bin Laden’s daughters left Iran after years there; she described how various bin Laden children had been allowed to stay in Iran under supervision—a form of treatment rather looser than house arrest, with limited ability to contact outsiders. In its January 2009 designation of Usama bin Laden’s son Sa’ad as a terrorist, the U.S. Treasury Department stated, “Sa’ad made key decisions for al-Qaeda and was part of a small group of al-Qaeda members that was involved in managing the terrorist organization from Iran. He was arrested by Iranian authorities in early 2003. As of September 2008, it was possible that Sa’ad bin Laden was no longer in Iranian custody.” (<http://www.treas.gov/press/releases/hp1360.htm>). News reports quoting unnamed U.S. and Saudi officials stated that this wording deliberately underplayed Iran’s relation with Sa’ad, who, while in Iran, had been able at times to communicate with al-Qaeda members, including coordinating at least one terrorist attack. **Iran’s material support to al-Qaeda’s Afghanistan/Pakistan-based core group remains strong; there is no sign it is diminishing.**
- d. *Iraqi and Afghan groups.* There are also credible reports from the U.S. military that Iran continues to provide assistance to armed insurgents in Iraq and Afghanistan. In General Petraeus’ March 16 statement, he said, “In Afghanistan, the Iranian government appears to have hedged its longstanding public support for the Karzai government by providing opportunistic support to the Taliban.” Some reports suggest that this Iranian support has included extensive training for Taliban combatants. This support costs money and is material. In Iraq, it is not clear how much support Iran continues to provide to the insurgent groups it so extensively aided in 2006-08, though there is strong evidence Iran continues to provide some training, sophisticated weapons, and money. To the extent that Iran’s support has diminished, that would seem to be a function of the fall-off in activities by these insurgent groups as the Iraqi government has gotten stronger and more of the Iraqi population has turned against them, rather than any Iranian reluctance to fund terrorism. Some of these Iraqi insurgents belong to the “al-Qaeda in Iraq” group which is affiliated with but distinct from the Afghanistan/Pakistan-based core al-Qaeda group which was directly responsible for the September 11, 2001 attacks. The Taliban and the insurgent groups in Iraq do not seem to fit the Geneva Convention conditions for being considered lawful combatants, and they certainly deliberately target civilians. In short, it seems correct to consider them as terrorists. Iran’s sponsorship of terrorism in Afghanistan appears to be increasing, both in its influence and in providing material support.

***XVI. Amount of Financial and Material Support: \$300 to \$500 million per Annum***

67. Putting together these various reports, and based on my continued research and investigation of Iran's long standing policy and practice of providing significant material support for terrorism, in my expert opinion, a minimum estimate for Iran's spending on terrorism would be the amount used in the U.S. Department of State Country Reports on Terrorism for Iran's support to Hizbollah, i.e. \$200 million a year, as I have referenced above. However, in my expert opinion, the Islamic Republic of Iran has in recent years materially increased its general and specific material support of terrorists, terrorist organizations and support of terrorist activities throughout the world; Iran certainly supports terrorist organizations other than Hizbollah. **In my expert opinion, a more likely estimate of the financial material support provided by Iran in support of terrorism is \$400 million a year, though given the imprecise evidence, I would feel more comfortable estimating a range of \$300 million to \$500 million a year rather than any one figure.** While \$400 million a year is already a dramatic increase over the amount of financial support which Iran was providing in support of terrorism during most years since 1983, I readily acknowledge that the actual total could be much higher than \$400 million a year. In fact, it is possible that Iran's support for terrorism exceeds \$500 million a year, given that Iran appears to have substantially increased its aid for HAMAS, as well as continuing to offer substantial assistance to insurgents in Iraq and Afghanistan (by contrast, the direct financial cost Iran incurs for its material support to al-Qaeda's Afghanistan/Pakistan core group appears to have been smaller).

## ***XVII. Financial Deterrence***

68. Iranian leaders pay close attention to civil suits about terrorism. In 2000/01, the issue became a major controversy in Iran. Iran's permanent representative to the UN, Nejad Hosseinian, went on Iranian television to complain about the suits and to answer criticisms that the Iranian government had not succeeded at stopping them. Representative Golbaz, a member of the Iranian Parliament's National Security and Foreign Policy Commission, complained, "Those American courts that make such rulings do so in the absence of the defendant as there is no Iranian representative in attendance in these courts." Former Iranian President, now chairman of the powerful Expediency Council (charged with resolving disputes among the various organs of government), Ali Akbar Hashemi Rafsanjani complained at length about the suits, as did numerous members of Iran's Parliament. They were particularly upset at the large punitive damage awards, which they acknowledged exceeded a billion dollars. In late 2000, the Iranian Parliament adopted a law permitting Iranians to file suit against the U.S. government for its alleged misdeeds, such as the 1953 overthrow of Iranian Prime Minister Mussadegh (the law permits suits when damage is sustained from any action by a foreign government in contravention of international law, including interference in Iran's domestic affairs, or when damage is incurred from acts of terrorist groups backed by foreign governments). The Iranian government has several times referred to such a lawsuit having been brought, although the situation is not entirely clear.



69. After the flurry of activity in 2000, the civil suits have become part of the mantra of Iranian government complaints against the United States. Iranian foreign ministry spokesmen periodically denounce the suits. At conferences, the issue has been cited by lawyers working for Iran as a major barrier to the normalization of relations between Iran and the United States. In recent years, the Iranian government has conducted an extensive and prolonged propaganda campaign to denounce U.S. court decisions about the sale of ancient Iranian tablets held by the University of Chicago's Oriental Institute in order to make partial payment of some outstanding claims from such suits.

70. While Iranian leaders do pay close attention to the court judgments against Iran for its support to terrorism, the effort to dissuade Iran from providing financial support for terrorism against Americans has encountered several significant obstacles. **First** is the consolidation of power in the hands of the most extreme elements in Iran, such as President Mahmoud Ahmadinejad, compared to the more moderate 1997-2005 president, Mohammed Khatami. **Second** is Iran's much higher oil income in recent years because of higher oil prices, which makes it easier for Iran to allocate more monies for the support of terrorism; depressed oil income was a significant factor limiting Iran's terrorist financing in the 1990s. **Third** has been the perceived successes of major terrorist groups which receives direct and material financial support from Iran, namely, Hizbollah's performance in its 2006 confrontation with Israel, followed up by its 2009-10 success in keeping a role in the Lebanese government despite doing badly in the elections, and HAMAS' 2006 takeover of Gaza, though that has been tarnished by its poor showing in the 2008-09 confrontation with Israel. **Fourth** was the perception that the United States was tied down by Iraqi and Afghan insurgents who deliberately targeted innocent



civilians, which Iranian leaders have often proclaimed as evidence that Islamist resistance movements and their terrorist activities can defeat the United States. **In consideration of these factors, the financial pressure to abandon terrorism against U.S. citizens and entities as a result of past court judgments was not sufficiently powerful as to induce Iran to change course, but that pressure, in my opinion, certainly remains, and should not be underestimated, as an element in Iran's calculations about whether and how to support terrorism.**

### ***XVIII. Iran in Court***

71. Indeed, Iran has recently been taking a more active stance about court actions regarding its support for terrorism. After years in which no lawyers representing Iran showed up to contest such actions, Iran has engaged lawyers in several recent suits. After it was filed in May 2004, a claim against property held at the University of Chicago Oriental Institute had been ignored by Iran. But after the June 2009 ruling by U.S. District Judge Blanche M. Manning that the case could proceed, Iran's lawyers intervened for the first time. Another example of a more active Iranian stance was a Montreal, Quebec suit seeking damages for the death under torture of a Canadian-Iranian, *Estate of the late Zahra (Ziba) Kazemi, and Stephan (Salman) Hashemi v. the Islamic Republic of Iran, et al.*, Montreal Superior Court case No. 500-17-031760-062, which Iran's lawyers have vigorously contested since it was filed in December 2009.

### ***XIX. Punitive Damages Consideration***

72. Considering the factors inherent in awarding punitive damages, that of punishment and deterrence, it is noted that Iran has not decreased its support for terrorism, but has dramatically increased and widened its support for terrorists, terrorist

**organizations and terrorist activities throughout the world.** Punishment can be measured, in large part, in assessing significant financial damages for the continued and expanded wide-ranging world-wide support for terrorism supported by the Islamic Republic of Iran and its governmental arms. **Iran is blatant in its support of terrorism.** As to deterrence, there are two factors to consider: deterring such conduct by others, and making further efforts to deter Iran in its bold and increasing support for terrorism, which Iran uses to expand its influence, its reach and its force by terrorist means.

73. In my expert opinion, Iranian officials pay extremely close attention to what the outside world has to say about the Iranian government and its policies, and they generally assume that whatever is written about Iran – whether by judges, by independent newspapers, by non-governmental organizations, or by foreign ministries – is the direct product of a unified policy by the government of the country from which the comment originates. Furthermore, as noted earlier, they have shown themselves to be sensitive to the punitive damages levied against Iran, and they are well aware that such damages have been a common feature in actions against Iran for its support of terrorism against Americans. Were this Court not to impose punitive damages for what was a spectacular terrorist act, this would be read by Iranian government officials as indicating a significant weakening of U.S. pressure on Iran to end its support for terrorism against Americans. On the other hand, were this Court to impose substantial punitive damages, this would be read by Iranian officials as indicating that U.S. policy remains firmly opposed to Iranian support for terrorism against Americans.

**CONCLUSION**

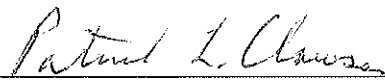
It is my expert opinion that Iran has provided material support to al-Qaeda before, during and after the events of September 11, 2001. Iranian support of al-Qaeda through its instrumentalities, the Revolutionary Guard and MOIS, is consistent with its foreign policy of supporting terrorism against the United States.

Without the technical training, funding, cash incentives and other material support provided to terrorist organizations by Iran, through its instrumentalities, the IRGC and MOIS, it is accepted by most experts that those organizations would not have been able to carry out many of their most spectacular terrorist actions, such as holding for years hostages in Lebanon, bombing the Marine barracks in Beirut in 1983 or bombing the Khobar Towers U.S. Air Force barracks in Saudi Arabia in 1996. However, the central assistance or material support provided by Iran to al-Qaeda regarding September 11, 2001 is, on the present state of the record, travel facilitation and safe haven.

*Further the Affiant Sayeth Not.*

This Affidavit is comprised of 133 separately numbered paragraphs.

I, Patrick L. Clawson, being duly sworn, do hereby swear and affirm under penalty of perjury that the contents of this Affidavit are true and correct to the best of my knowledge, information and belief.

  
Patrick L. Clawson

Sworn to before me this 25<sup>th</sup> day of June, 2010, in Washington, DC.

  
\_\_\_\_\_  
Notary Public

*Affidavit of Patrick L. Clawson, PhD, Page 35*

My Commission Expires 30/09/2011